

# LEHMAN BROTHERS HOLDINGS INC (LEH)

LEHMAN BROTHERS  
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## 424B2

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Calculation of the Registration Fee

Title of Each Class of Securities Offered	Maximum Aggregate Offering Price	Amount of Registration Fee(1)(2)
Common Stock	\$ 4,004,000,000	\$ 157,358

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933.

(2) Pursuant to Rule 457(p) under the Securities Act of 1933, filing fees have already been paid with respect to unsold securities that were previously registered pursuant to a Registration Statement on Form S-3 (No. 333-134553) filed by Lehman Brothers Holdings Inc. and the other Registrants thereto on May 30, 2006, and have been carried forward, of which \$157,358 is offset against the registration fee due for this offering and of which \$537,347.11 remains available for future registration fees. No additional registration fee has been paid with respect to this offering.

PROSPECTUS SUPPLEMENT  
(To Prospectus Dated May 30, 2006)**143,000,000 Shares**  
**LEHMAN BROTHERS HOLDINGS INC.**  
**Common Stock**

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This is a public offering by Lehman Brothers Holdings Inc. of 143,000,000 shares of common stock (the "Common Stock").

In addition to this offering of the Common Stock, we are concurrently offering 2,000,000 shares of our 8.75% Non-Cumulative Mandatory Convertible Preferred Stock, Series Q (the "Preferred Stock"). The Preferred Stock will be offered pursuant to a separate prospectus supplement. The completion of this offering of the Common Stock is not conditioned upon the completion of the concurrent offering of the Preferred Stock and the completion of the offering of the Preferred Stock is not conditioned upon the completion of this offering of the Common Stock.

*See "Risk Factors" beginning on page S-2 of this prospectus supplement and "Risk Factors" beginning on page 14 of our Annual Report on Form 10-K for the year ended November 30, 2007 to read about factors you should consider before investing in the Common Stock.*

	Per Share	Total
Initial public offering price	\$ 28.00	\$ 4,004,000,000
Underwriting discount	\$ 0.84	\$ 120,120,000
Proceeds to Lehman Brothers Holdings Inc. (before expenses)	\$ 27.16	\$ 3,883,880,000

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed on the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

The underwriter expects to deliver the shares of Common Stock through the facilities of The Depository Trust Company against payment in New York, New York on June 12, 2008.

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**LEHMAN BROTHERS**

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June 9, 2008

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You should only rely on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus or any free writing prospectus. Any free writing prospectus should be read in connection with this prospectus supplement and the accompanying prospectus. We have not, and the underwriter has not, authorized any other person to provide you with different or inconsistent information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriter is not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement and the accompanying prospectus, as well as information we have filed or will file with the Securities and Exchange Commission (the "SEC") and incorporated by reference, is accurate as of the date of the applicable document or other date referred to in the document. Our business, financial condition, results of operations and prospects may have changed since that date.

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**GENERAL INFORMATION**

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of the Common Stock and also adds to and updates information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part, the accompanying prospectus, gives more general information, some of which may not apply to this offering. You should read both this prospectus supplement and the accompanying prospectus, as well as the information incorporated by reference into both documents.

If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information contained in this prospectus supplement.

Please note that in this prospectus supplement references to the "Company," "we," "us," "our" or similar references refer to Lehman Brothers Holdings Inc.

Also, in this prospectus supplement, references to "holders" mean those who own the Common Stock registered in their own names, on the books that we or our agent maintain for this purpose, and not those who own beneficial interests in the Common Stock registered in street name or in the Common Stock issued in book-entry form through one or more depositaries. The Common Stock will be issued in book-entry form only. Owners of beneficial interests in the Common Stock should read the section entitled "Book-Entry Procedures and Settlement" in the accompanying prospectus.

Investing in the Common Stock involves risks. You should reach a decision to purchase shares only after you have carefully reviewed the risk factors and other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus and considered with your advisors the suitability of an investment in the Common Stock in light of your particular circumstances.

This prospectus supplement contains summaries of provisions of certain documents that are described herein, but reference is made to the actual documents for complete information. All of the summaries are qualified in their entirety by the actual documents. Copies of some of the documents referred to herein have been filed or will be filed or incorporated by reference as exhibits to the registration statement of which this prospectus supplement is a part, and you may obtain copies of those documents as described below under "Where You Can Find More Information."

**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

We have included or incorporated by reference in this prospectus supplement and the accompanying prospectus statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of The Private Securities Litigation Reform Act of 1995. These forward-looking statements are not historical facts but instead represent only our belief regarding future events, many of which, by their nature, are inherently uncertain and outside of our control. It is possible that our actual results may differ, possibly materially, from the anticipated results indicated in these forward-looking statements.

Information regarding important factors that could cause actual results to differ, perhaps materially, from those in our forward-looking statements is contained in our most recent Annual Report on Form 10-K, which is incorporated into this prospectus supplement and the accompanying prospectus by reference. See "Where You Can Find More Information" in this prospectus supplement for information about how to obtain a copy of this annual report.



## RISK FACTORS

*An investment in the Common Stock involves certain risks. You should carefully consider the risks described below and in the "Risk Factors" included in our Annual Report on Form 10-K for the year ended November 30, 2007, as well as other information included or incorporated by reference into this prospectus supplement. These risks could materially affect our business, results of operations or financial condition and cause the value of our common stock to decline. You could lose all or part of your investment.*

### Risks Relating to the Common Stock

*The price of our common stock may fluctuate significantly, and this may make it difficult for you to resell common stock owned by you at times or at prices you find attractive.*

The price of our common stock on the New York Stock Exchange constantly changes. We expect that the market price of our common stock will continue to fluctuate.

The price of our common stock may fluctuate as a result of a variety of factors, many of which are beyond our control. These factors include:

- quarterly variations in our operating results or the quality of our assets;
- operating results that vary from the expectations of management, securities analysts and investors;
- changes in the regulatory environment for financial institutions;
- changes in expectations as to our future financial performance;
- announcements of strategic developments, acquisitions and other material events by us or our competitors;
- the operating and securities price performance of other companies that investors believe are comparable to us;
- future sales of our equity or equity-related securities;
- changes in the credit, mortgage and real estate markets, the markets for securities relating to mortgages, real estate or acquisition financing or developments with respect to financial institutions generally; and
- changes in global financial markets and global economies and general market conditions, such as interest or foreign exchange rates, stock, commodity or asset valuations or volatility.

In addition, in recent years, the stock market in general, and our common stock in particular, has experienced extreme price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many companies, including for reasons unrelated to their operating performance. These broad market fluctuations may adversely affect the price of our common stock, notwithstanding our operating results.

Accordingly, the Common Stock that an investor purchases, whether in this offering or in the secondary market, may trade at a price lower than that at which it was purchased.

*There may be future sales or other dilution of our equity, which may adversely affect the market price of our common stock.*

Except as described under "Underwriting—Lock-Up Agreements", we are not restricted from issuing additional common stock or preferred stock, including any securities that are convertible into or exchangeable for, or that represent the right to receive, common stock. The market price of our common stock could decline as a result of sales of a large number of shares of our common stock or

preferred stock or similar securities in the market after this offering or the perception that such sales could occur.

The issuance of additional common stock or conversion of preferred stock will dilute the ownership interest of our existing common stockholders. Any sales in the public market of our common stock could adversely affect prevailing market prices of the outstanding shares of our common stock.

***We are a holding company and our ability to pay dividends on the common stock will depend on distributions from our subsidiaries.***

The dividends on the Common Stock will be solely our obligations, and no other entity will have any obligation, contingent or otherwise, to make any dividends in respect of the Common Stock. Because we are a holding company whose primary assets consist of shares of stock or other equity interests in or amounts due from subsidiaries, almost all of our income is derived from those subsidiaries. Accordingly, we will be dependent on dividends and other distributions or loans from our subsidiaries for funds with which to make dividend payments on the Common Stock. Due to covenants contained in certain of our debt agreements and regulations relating to capital requirements affecting certain of our more significant subsidiaries, the ability of certain subsidiaries to pay dividends and other distributions and make loans to us is restricted. As of February 29, 2008 approximately \$9.7 billion of net assets of our subsidiaries were restricted as to the payment of dividends to us.

As an equity holder, our ability to participate in any distribution of assets of any subsidiary is subordinate to the claims of creditors of the subsidiary, except to the extent that any claims we may have as a creditor of the subsidiary are judicially recognized. If these sources are not adequate, we may be unable to make dividend payments in respect of our common stock. Although we have historically declared cash dividends on our common stock, we are not required to do so and may reduce or eliminate our common stock dividend in the future. This could adversely affect the market price of our common stock.

***The common stock is equity and is subordinate to our existing and future indebtedness and preferred stock.***

Shares of the Common Stock are equity interests in the Company and do not constitute indebtedness. As such, shares of the Common Stock will rank junior to all indebtedness and other non-equity claims on the Company with respect to assets available to satisfy claims on the Company, including in a liquidation of the Company. Additionally, holders of our common stock are subject to the prior dividend and liquidation rights of any holders of our preferred stock or depositary shares representing such preferred stock then outstanding.

Dividends on the common stock are payable only if declared by our board of directors and are subject to restrictions on payments of dividends out of lawfully available funds. Also, as a consolidated supervisory entity, our ability to declare and pay dividends is dependent on certain federal regulatory considerations. The Company has issued and outstanding debt securities under which we may defer interest payments from time to time, but in that case we would not be permitted to pay dividends on, or redeem, purchase, acquire or make a liquidation payment with respect to, any of our capital stock, including the common stock, during the deferral period. In addition, the Company has issued and outstanding debt securities under which, if we are aware of any event that would be an event of default under the indenture governing those debt securities, we would not be permitted to pay dividends on, or redeem, purchase, acquire or making a liquidation payment with respect to, any of our capital stock, including the Common Stock.

***Certain of our existing securities may prevent us from paying dividends on our common stock upon the occurrence of a mandatory deferral event.***

If the mandatory deferral event described below occurs, our existing enhanced capital advantaged preferred securities ("ECAPS"<sup>SM</sup>) prohibit us from making distributions on the ECAPS other than with



the proceeds from issuances of our common stock and perpetual deferrable preferred stock. If we are unable to pay distributions on the ECAPS in full, the dividend restrictions on the ECAPS would prohibit us from, among other things, paying any dividends on any of our capital stock, including our common stock. Since the ECAPS require us to pay distributions upon the occurrence of a mandatory deferral event only out of the proceeds of the sale of our common stock or perpetual deferrable preferred stock, our ability to pay dividends on our common stock will depend on our ability to issue our common stock or non-cumulative perpetual preferred stock to fully pay all distributions due on the ECAPS. We will trigger a mandatory deferral event pursuant to the terms of the ECAPS if at any time we have both a consolidated net loss over a two-quarter period and our tangible common stockholders' equity has decreased by 10% over the prior year, and we have failed to cure either of those events within the following two quarters.

***Our results of operations for the second fiscal quarter of 2008 may be revised between the release of information about our results of operations and our subsequent earnings release, and further revised between such subsequent earnings release and the filing of our Form 10-Q.***

On June 9, 2008, we filed a Form 8-K with information about our results of operations for the second fiscal quarter of 2008, which is incorporated by reference into this prospectus supplement. We will also file an additional Form 8-K with subsequent information about our results of operations for the second fiscal quarter of 2008 in an earnings release. In preparing this information, we make a number of complex and subjective judgments and estimates about the appropriateness of certain reported amounts and disclosures as well as estimates relating to the components and calculation of our leverage ratios and capital ratios, among other metrics. For example, such estimates are used in measuring the fair value of certain financial instruments, accounting for identifiable intangible assets and goodwill, establishing provisions for potential losses that may arise from litigation, regulatory proceedings and tax examinations, assessing the Company's ability to realize deferred taxes and valuing equity-based compensation awards.

Our financial statements for the second fiscal quarter of 2008 are not finalized until they are filed in our quarterly report on Form 10-Q for the second fiscal quarter of 2008. We are required to consider all available information through the finalization of our financial statements and their possible impact on our financial condition and results of operations for the reporting period, including the impact of such information on the complex judgments and estimates referred to above. As a result, subsequent information or events may lead to material differences between the information about the results of operations described in the Form 8-K filed on June 9, 2008 and the results of operations described in our subsequent earnings release, and between such subsequent earnings release and the filing of our quarterly report on Form 10-Q for the second fiscal quarter of 2008, and those differences may be adverse. You should consider this possibility in reviewing the earnings information in the Form 8-Ks referred to above.

***Anti-takeover provisions could negatively impact our stockholders.***

Provisions of Delaware law and of our certificate of incorporation and bylaws could make it more difficult for a third party to acquire control of us or have the effect of discouraging a third party from attempting to acquire control of us. For example, we are subject to Section 203 of the Delaware General Corporation Law, which would make it more difficult for another party to acquire us without the approval of our board of directors. Additionally, our certificate of incorporation authorizes our board of directors to issue preferred stock, which could be issued as a defensive measure in response to a takeover proposal. These provisions could make it more difficult for a third party to acquire us even if an acquisition might be in the best interest of our stockholders.



**USE OF PROCEEDS**

We expect to receive net proceeds from this offering of approximately \$3.883 billion, after deducting expenses and underwriting commissions. We intend to use the net proceeds from this offering to add to the Company's capital and for general corporate purposes.

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**PRICE RANGE OF COMMON STOCK AND DIVIDEND POLICY**

Our common stock trades on the New York Stock Exchange under the symbol "LEH." As of March 31, 2008, there were 553,646,048 shares of our common stock outstanding. As of December 31, 2007, there were approximately 23,200 shareholders of record. The following table provides the high and low closing sales prices per share during the periods indicated as reported on the New York Stock Exchange and dividends paid per share of our common stock during such periods.

	<u>Low Sale Price</u>	<u>High Sale Price</u>	<u>Common Stock Dividends</u>
<b>Fiscal 2008:</b>			
Third Quarter (through June 6, 2008)	\$ 28.52	\$ 36.57	
Second Quarter	\$ 20.25	\$ 50.30	\$ 0.17
First Quarter	\$ 49.75	\$ 66.58	\$ 0.17
<b>Fiscal 2007:</b>			
Fourth Quarter	\$ 51.59	\$ 67.73	\$ 0.15
Third Quarter	\$ 49.06	\$ 82.05	\$ 0.15
Second Quarter	\$ 68.07	\$ 79.21	\$ 0.15
First Quarter	\$ 72.26	\$ 86.18	\$ 0.15
<b>Fiscal 2006:</b>			
Fourth Quarter	\$ 63.04	\$ 78.89	\$ 0.12
Third Quarter	\$ 58.37	\$ 69.48	\$ 0.12
Second Quarter	\$ 62.82	\$ 78.85	\$ 0.12
First Quarter	\$ 62.14	\$ 74.79	\$ 0.12

The amount of future dividends will depend on earnings, financial condition, capital requirements and other factors, and will be determined by our board of directors on a quarterly basis.

The last reported sales price per share of our common stock on June 6, 2008 as reported by the New York Stock Exchange was \$32.29.

**UNDERWRITING**

Subject to the terms and conditions of the underwriting agreement under which the Common Stock is being offered and sold, we have agreed to sell to the underwriter, Lehman Brothers Inc., and the underwriter has agreed to purchase from us, all of the Common Stock being offered, if any is purchased.

The conditions contained in the underwriting agreement include requirements that:

- the representations and warranties made by us to the underwriter are true;
- there has been no material adverse change in our financial condition or in the financial markets; and
- we deliver the customary closing documents to the underwriter.

The underwriter proposes to offer the Common Stock initially at a public offering price equal to the initial public offering price set forth on the cover of this prospectus supplement. After the initial public offering, the offering price and other selling terms may from time to time be varied by the underwriter.

**Discounts and Commissions**

The following table summarizes the underwriting discounts and commissions we will pay to the underwriter. The underwriting fee is the difference between the initial public offering price and the amount the underwriter will pay to us for the Common Stock.

Per Share of Common Stock	\$	0.84
Total	\$	120,120,000

We estimate that our total expenses associated with the offer and sale of the Common Stock, excluding underwriting discounts, will be approximately \$460,000.

**Indemnification and Expenses**

We have agreed to indemnify the underwriter against liabilities relating to any offering of the Common Stock, including liabilities under the Securities Act, or to contribute to payments that the underwriter may be required to make relating to these liabilities.

**Listing**

The shares of Common Stock are listed on the New York Stock Exchange under the symbol "LEH."

**Lock-Up Agreements**

We and certain of our executive officers have agreed, subject to certain exceptions (including, in the case of Lehman Brothers Holdings Inc., its offering of the Preferred Stock pursuant to the prospectus supplement dated June 9, 2008), that we will not offer for sale, sell, pledge or otherwise dispose of (or enter into any transaction or device that is designed to, or could be expected to, result in the disposition by any person at any time in the future of), directly or indirectly, sell or grant options, warrants or rights with respect to, or file with the SEC a registration statement or prospectus supplement under the Securities Act relating to, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, or, with respect to any person other than us, enter into any swap or other derivative transactions or engagement that transfers to another, in whole or in part, any of the economic benefits or risks of ownership of shares of common stock, whether any such transaction is to be settled by delivery of common stock or other securities, in cash or otherwise, or publicly disclose the intention to make any such offer, sale, pledge,



disposition or filing, without the prior written consent of Lehman Brothers Inc. for a period of 90 days after the date of this prospectus supplement.

#### **Stabilization, Short Positions and Penalty Bids**

The underwriter may engage in stabilizing transactions, short sales and purchases to cover positions created by short sales, and penalty bids or purchases for the purpose of pegging, fixing or maintaining the price of the Common Stock, in accordance with Regulation M under the Exchange Act:

- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- A short position involves a sale by the underwriter of Common Stock in excess of the number of shares of Common Stock the underwriter is obligated to purchase in the offering, which creates the syndicate short position. The underwriter will close out any short position by purchasing shares of our common stock in the open market. A short position is more likely to be created if the underwriter is concerned that there could be downward pressure on the price of shares of our common stock in the open market after pricing that could adversely affect investors who purchase in the offering.

These stabilizing transactions may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. These transactions, if commenced, may be discontinued at any time.

Neither we nor the underwriter makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Common Stock.

In addition, neither we nor the underwriter makes representation that the underwriter will engage in these stabilizing transactions or that any transaction, once commenced, will not be discontinued without notice.

#### **Other Relationships With the Underwriter**

Lehman Brothers Inc., our principal U.S. broker-dealer subsidiary, is a member of the Financial Industry Regulatory Authority ("FINRA") and may participate in distributions of the Common Stock. Accordingly, offerings of the Common Stock in which Lehman Brothers Inc. or any other U.S. broker-dealer subsidiary participates will conform to the requirements set forth in Rule 2720 of the Conduct Rules of the FINRA. Under Rule 2720, the underwriter is not permitted to sell Common Stock in this offering to an account over which it exercises discretionary authority without the prior written approval of the customer to which the account relates.

Certain of the underwriter's affiliates have in the past provided, and may in the future from time to time provide, investment banking and/or general financing and/or banking services to us and our affiliates, for which they have in the past received, and may in the future receive, customary fees and reimbursement of expenses.

#### **Selling Restrictions**

##### ***European Economic Area***

In relation to each Member State of the European Economic Area that has implemented the Prospectus Directive (each, a Relevant Member State), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the relevant

implementation date), an offer of Common Stock described in this prospectus supplement may not be made to the public in that Relevant Member State other than:

- to any legal entity that is authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- to any legal entity that has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the underwriter; or
- in any other circumstances that do not require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive,

provided that no such offer of Common Stock shall require us or the underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For purposes of this provision, the expression an "offer of Common Stock to the public" in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Common Stock to be offered so as to enable an investor to decide to purchase or subscribe the Common Stock, as the expression may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

We have not authorized and do not authorize the making of any offer of Common Stock through any financial intermediary on their behalf, other than offers made by the underwriter with a view to the final placement of the Common Stock as contemplated in this prospectus supplement. Accordingly, no purchaser of the Common Stock, other than the underwriter, is authorized to make any further offer of the Common Stock on behalf of us or the underwriter.

#### ***Hong Kong***

Shares of the Common Stock may not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made under that Ordinance or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32, Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance. No advertisement, invitation or document relating to our securities may be issued, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to our securities which are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) or any rules made under that Ordinance. The contents of this document have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this prospectus supplement and the accompanying prospectus, you should obtain independent professional advice.

#### ***Israel***

No action has been or will be taken in Israel that would permit an offering of the Common Stock or a distribution of this prospectus supplement and the accompanying prospectus to the public in Israel.

Accordingly, the Common Stock will not be offered, directly or indirectly, in Israel or to others for re-offering or resale, directly or indirectly, in Israel except to investors of the type listed in the First Schedule to Israel's Securities Law 5728-1968.

#### *Japan*

Shares of the Common Stock have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948 as amended, the FIEL), and we will not offer or sell any of the Common Stock, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEL and any other applicable laws, regulations and ministerial guidelines of Japan.

#### *Korea*

The Common Stock may not be offered, sold and delivered directly or indirectly, or offered or sold to any person for reoffering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the Korea Securities and Exchange Act and the Foreign Exchange Transaction Law and the decrees and regulations thereunder. The Common Stock has not been registered with the Financial Services Commission of Korea for public offering in Korea. Furthermore, the Common Stock may not be resold to Korean residents unless the purchaser of the Common Stock complies with all applicable regulatory requirements (including but not limited to government approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with the purchase of the Common Stock.

#### *Singapore*

This prospectus supplement and the accompanying prospectus have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus supplement and the accompanying prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of our securities may not be circulated or distributed, nor may our securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Future Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275 (1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where our securities are subscribed and purchased under Section 275 by a relevant person which is (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole whole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable in six months after that corporation or that trust has acquired our securities under Section 275 except (i) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275 (1A), and in accordance with the conditions, specified in Section 275 of the SFA; (ii) where no consideration is given for transfer; or (iii) by operation of law.



***United Kingdom***

This prospectus supplement and the accompanying prospectus are only being distributed to, and are only directed at, persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(c) of the Prospectus Directive ("Qualified Investors") that are also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons"). This prospectus supplement and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom that is not a relevant persons should not act or rely on this document or any of its contents.

***United Arab Emirates***

This prospectus supplement and the accompanying prospectus are not intended to constitute an offer, sale or delivery of shares or other securities under the laws of the United Arab Emirates ("UAE"). The Common Stock has not been and will not be registered under Federal Law No. 4 of 2000 Concerning the Emirates Securities and Commodities Authority and the Emirates Security and Commodity Exchange, or with the UAE Central Bank, the Dubai Financial Market, the Abu Dhabi Securities market or with any other UAE exchange.

The offering, the Common Stock and interests therein have not been approved or licensed by the UAE Central Bank or any other relevant licensing authorities in the UAE, and do not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended) or otherwise.

This prospectus supplement and the accompanying prospectus are strictly private and confidential and are being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the Common Stock may not be offered or sold directly or indirectly to the public in the UAE."

**Electronic Distribution**

This prospectus supplement and the accompanying prospectus may be made available in electronic format on Internet websites or through other online services maintained by the underwriter participating in this offering, or by its affiliates. In those cases, prospective investors may view offering terms online and, depending upon the particular affiliates or the underwriter, prospective investors may be allowed to place orders online. The underwriter may agree with us to allocate a specific number of Common Stock for sale to online brokerage account holders. Any such allocation for online distributions will be made by the underwriter on the same basis as other allocations.

Other than the prospectus in electronic format, the information on the underwriter's website and any information contained in any other website maintained by the underwriter is not part of the prospectus or the registration statement of which this prospectus supplement forms a part, has not been approved and/or endorsed by us or the underwriter in its capacity as an underwriter and should not be relied upon by investors.

**Stamp Taxes**

Purchasers of the Common Stock offered by this prospectus supplement may be required to pay stamp taxes and other charges under the laws and practices of the country of purchase, in addition to the offering price listed on the cover page of this prospectus supplement. Accordingly, we urge you to consult a tax advisor with respect to whether you may be required to pay those taxes or charges, as well as any other tax consequences that may arise under the laws of the country of purchase.

**WHERE YOU CAN FIND MORE INFORMATION**

As required by the Securities Act, we filed a registration statement relating to the securities offered by this prospectus supplement with the SEC. This prospectus supplement and the accompanying prospectus are a part of that registration statement, which includes additional information.

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document we file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. You may also request copies of the documents, upon payment of a duplicating fee, by writing the Public Reference Section of the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. These SEC filings are also available to the public from the SEC's website at <http://www.sec.gov>.

Our common stock, par value \$0.10 per share, is listed on the New York Stock Exchange under the symbol "LEH." You may inspect reports, proxy statements and other information concerning us and our consolidated subsidiaries at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005. For further information in obtaining copies of our public filings at the New York Stock Exchange, Inc., you should call 212-656-5060.

The SEC allows us to "incorporate by reference" the information we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus supplement, and later information that we file with the SEC will automatically update and supersede this information. We incorporate by reference the documents listed below and any future filings made with the SEC under Section 13(a), 13(c), 14, or 15(d) of the Exchange Act (other than information in the documents or filings that is deemed to have been furnished and not filed), until the completion of the distribution of the Common Stock:

- Annual Report on Form 10-K for the year ended November 30, 2007;

- Quarterly Report on Form 10-Q for the quarter ended February 29, 2008;

- Current Reports on Form 8-K filed with the SEC on December 3, December 4 (three Form 8-K filings), December 5, December 6, December 7, December 10, December 11, December 13 (three Form 8-K filings), December 17 (two Form 8-K filings), December 20, December 21 and December 28, 2007 and January 4, January 15, January 16, January 17, January 23, January 29, February 4 (two Form 8-K filings), February 5, February 6 (two Form 8-K filings), February 8, February 11, February 12 (three Form 8-K filings), February 13, February 15, February 19 (two Form 8-K filings), February 20, February 22 (two Form 8-K filings), February 25, February 26, February 27, February 28, March 3, March 4, March 5, March 11 (two Form 8-K filings), March 12, March 13, March 18, March 21, March 24, March 26 (two Form 8-K filings), April 1, April 2, April 3, April 4, April 8, April 11 (two Form 8-K filings), April 18, April 22, April 25, April 28, May 1, May 2, May 5, May 6, May 7, May 12, May 13, May 19, May 20, May 23 (two Form 8-K filings), May 30, June 3, June 4 and June 9, 2008; and

- Registration Statement on Form 8-A, filed on April 29, 1994.

You may request a copy of these filings, at no cost, by writing or telephoning us at the following address:

Controller's Office  
Lehman Brothers Holdings Inc.  
745 Seventh Avenue  
New York, New York 10019  
(212) 526-7000

**VALIDITY OF COMMON STOCK**

The validity of the Common Stock will be passed upon for us by Andrew M.W. Yeung, Associate General Counsel and Vice President of Lehman Brothers Holdings Inc. Mr. Yeung beneficially owns, or has rights to acquire under Lehman Brothers Holdings Inc.'s employee benefit plans, an aggregate of less than 1% of Lehman Brothers Holdings Inc.'s common stock. We were represented by Simpson Thacher & Bartlett LLP, New York, New York and the underwriter was represented by Sullivan & Cromwell LLP, New York, New York.

**EXPERTS**

The consolidated financial statements and financial statement schedule of Lehman Brothers Holdings Inc. appearing in Lehman Brothers Holdings Inc.'s Annual Report (Form 10-K) for the year ended November 30, 2007, and of the effectiveness of internal control over financial reporting as of November 30, 2007 included therein have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their reports thereon, included therein, and incorporated by reference herein. Such consolidated financial statements are incorporated herein by reference in reliance upon the reports of Ernst & Young LLP pertaining to such consolidated financial statements given on the authority of such firm as experts in accounting and auditing.